

**AMENDMENT No. 2 TO  
SECOND AMENDED DEVELOPER'S PUBLIC REPORT  
FOR A CONDOMINIUM**

CONDOMINIUM PROJECT NAME:	ALLURE WAIKIKI
PROJECT ADDRESS:	1837 Kalakaua Avenue Honolulu, Hawaii 96815
REGISTRATION NUMBER:	6185
EFFECTIVE DATE OF REPORT:	<b>June 3, 2010</b>
THIS AMENDMENT:	<input checked="" type="checkbox"/> Must be read together with <input type="checkbox"/> Developer's Public Report dated _____ <input checked="" type="checkbox"/> Amended Report dated <u>May 8, 2008</u>  <input type="checkbox"/> Supersedes all prior amendments: Includes all prior amendment(s) and <u>must</u> be read together with <input type="checkbox"/> Developer's Public Report dated _____ <input type="checkbox"/> Amended Report dated _____
DEVELOPER(S):	FRC WAIKIKI, LLC, a Delaware limited liability company

**Preparation of this Amendment**

The Developer prepared this amendment pursuant to the Condominium Property Act, Section 514B-56, Hawaii Revised Statutes (HRS), as amended from time to time. Section 514B-56, HRS, requires that after the Commission has issued an effective date for the Developer's Public Report, if there are any changes, either material or pertinent changes, or both, regarding the information contained in or omitted from the Developer's Public Report, or if the developer desires to update or change the information set forth in the Developer's Public Report, the developer shall immediately submit to the Commission an amendment to the Developer's Public Report or an amended Developer's Public Report clearly reflecting the change, together with such supporting information as may be required by the Commission, to update the information contained in the Developer's Public Report.

The law defines "material change" as used in parts IV and V of Chapter 514B, HRS means any change that directly, substantially, and adversely affects the use or value of (1) A purchaser's unit or appurtenant limited common elements; or (2) Those amenities of the project available for the purchaser's use.

The law defines "pertinent change" to mean, as determined by the commission, a change not previously disclosed in the most recent public report that renders the information contained in the public report or in any disclosure statement inaccurate, including, but not limited to (1) The size, construction materials, location, or permitted use of a unit or its appurtenant limited common element; (2) The size, use, location, or construction materials of the common elements of the project; or (3) The common interest appurtenant to the unit. A pertinent change does not necessarily constitute a material change.

The filing of an amendment to the Developer's Public Report or an amended Developer's Public Report, in and of itself, shall not be grounds for a purchaser to cancel or rescind a sales contract. A purchaser's right to cancel or rescind a sales contract shall be governed by sections 514B-86 and 514B-87, HRS, the terms and conditions of the purchaser's contract for sale, and applicable common law.

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*This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at (808) 586-2643 to submit your request.*

This Amendment has not been prepared or issued by the Real Estate Commission or any other governmental agency. The issuance by the Commission of an effective date for this amendment to the Developer's Public Report (1) does not mean that the Commission approves or disapproves of the project; (2) does not mean that the Commission thinks that either all material facts, material changes, or pertinent changes about the project have been fully or adequately disclosed; and (3) is not the Commission's judgment of the value or merits of the project.

The law defines "material facts" to mean any fact, defect, or condition, past or present that to a reasonable person, would be expected to measurably affect the value of the project, unit, or property being offered or proposed to be offered for sale.

This amendment may be used by the Developer for promotional purposes only if it is used with the last Developer's Public Report in its entirety.

Prospective purchasers and purchasers are encouraged to read this amendment carefully and to seek professional advice.

Summary of Changes from Earlier Developer's Public Report are Described Beginning on the Next Page

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Summary of Changes from Earlier Developer's Public Report:

This summary contains a general description of the changes, if any, made by the developer since the last Developer's Public Report was issued an effective date. It is not necessarily all inclusive. Prospective purchasers and purchasers must read this amendment together with the last Developer's Public Report with the effective date as noted on the top of page 1 if they wish to know the specific changes that have been made.

Changes made are as follows (include a description of what the change is and page number and or exhibit alphabet or number; additional pages may be used):

A. Changes made as follows:

1. Pursuant to Declarant's reserved rights in the Declaration: (i) an Amendment to Condominium Map of Allure Waikiki (Condominium Map No. 4437) was recorded on March 12, 2010 as Document No. 2010-034328 to reflect a minor change in the configuration of the Commercial Unit and the parking garage; and (ii) an Amendment to Declaration of Condominium Property Regime of Allure Waikiki (Condominium Map No. 4437) was recorded on March 12, 2010 as Document No. 2010-034329 to restate the legal description of the Land following a consolidation and resubdivision of the Land which consolidation and resubdivision of the Land adjusted the boundaries of and reconfigured the Land to conform to the configuration of the Land as depicted on the Condominium Map.
2. The budget has been updated and is attached hereto.

B. This resulted in changes to the following pages of and Exhibits to the Second Amended Public Report, all of which changed pages and Exhibits are attached to this Amendment No. 2 to Second Amended Developer's Public Report:

1. Page 3 has been revised to reflect the current Tax Map Key for the Project.
2. Page 4 has been revised to reflect the updated parking count.
3. Page 5 has been revised to reflect the date of the updated title report.
4. Page 10 has been revised to reflect the recordation of the Amendment to Condominium Map and Amendment to Declaration referenced above (and attached hereto).
2. Exhibit L (Section 1.12 – Encumbrances Against Title) and Exhibit T (Section 5.3 – Blanket Liens have been revised to conform to the updated title report.
3. Exhibit P (Section 4.2 -- Estimate of the Initial Maintenance Fees) has been revised to reflect the updated budget.

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Changes continued:

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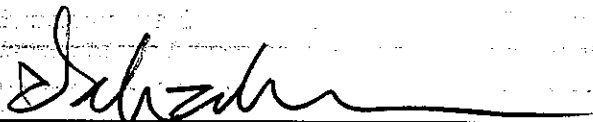
The Developer declares subject to the penalties set forth in Section 514B-69, HRS that this project continues to conform to the existing underlying county zoning for the project, zoning and building ordinances and codes and all applicable permitting requirements adopted by the county in which the project is located, all in accordance with Sections 514B-5 and 32(a) (13), HRS.

For any conversion, if any variances have been granted, they are specified in Section 1.14 of this report as amended, and, if purchaser deposits are to be used by the Developer to cure any violations of zoning, permitting requirements or rules of the county in which the project is located, the violation is specified in Section 1.15 of this report as amended, along with the requirements to cure any violation, and Section 5.5 specifies the date by which the cure will be completed.

The Developer hereby certifies that all the information contained in this report as amended and the exhibits attached to this report (if any) as amended and all documents to be furnished by the Developer to purchasers concerning the project have been reviewed by the Developer and are, to the best of the Developer's knowledge, information and belief, true, correct and complete. The Developer hereby agrees promptly to amend this report as amended to report and include either or all material facts, material or pertinent changes to any information contained in or omitted from this report and to file annually a report to update the material contained in this report as amended at least 30 days prior to the anniversary date of the effective date of this report.

FRC WAIKIKI, LLC, a Delaware limited liability company

Printed Name of Developer



Duly Authorized Signatory\*

9.17.10

Date

Alan Schachtman, Authorized Signatory

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, \_\_\_\_\_ City and County of Honolulu

Planning Department, \_\_\_\_\_ City and County of Honolulu

**\*Must be signed for a corporation by an officer; for a partnership or limited liability partnership (LLP) by the general partner; for a limited liability company (LLC) by the manager or an authorized member; and for an individual by the individual.**

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## 1. THE CONDOMINIUM PROJECT

### 1.1 The Underlying Land

Fee Simple or Leasehold Project	<input checked="" type="checkbox"/> Fee Simple	<input type="checkbox"/> Leasehold (attach Leasehold Exhibit)
Developer is the Fee Owner	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Fee Owner's Name if Developer is not the Fee Owner		
Address of Project	1837 Kalakaua Avenue Honolulu, Hawaii 96815	
Address of Project is expected to change because		
Tax Map Key (TMK)	(1) 2-6-013: 022	
Tax Map Key is expected to change because		
Land Area	Approximately 2.29 acres	
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)	N/A	

### 1.2 Buildings and Other Improvements (See Exhibit A)

Number of Buildings	1 - 35-story building tower 1 - potential commercial structure
Floors Per Building	35 - tower (29 stories atop a 6-story platform) Potential commercial structure not to exceed 30 feet in height
Number of New Building(s)	1 tower and 1 potential commercial structure
Number of Converted Building(s)	N/A
Principal Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	concrete, concrete masonry, wood, aluminum, plastic, glass and steel

### 1.3 Unit Types and Sizes of Units

Unit Type	Quantity	BR/Bath	Net Living Area	Net Other Areas	Other Areas (lanai, garage, etc.)	Total Area
See Exhibit B.						

292	<b>Total Number of Units</b>
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Note: Net Living Area is the floor area of the unit measured from the interior surface of the perimeter walls of the unit. Other documents and maps may give floor area figures that differ from those above because a different method of determining floor area may have been used.

#### 1.4 Parking Stalls

Total Parking Stalls in the Project:	448
Number of Guest Stalls in the Project:	13
Number of Parking Stalls Assigned to Each Unit:	1 or more
Attach <b>Exhibit C</b> specifying the Parking Stall number(s) assigned to each unit and the type of parking stall(s) (regular, compact or tandem and indicate whether covered or open).	
If the Developer has reserved any rights to assign or re-assign parking stalls, describe such rights. See <b>Exhibits C and D</b> .	

#### 1.5 Boundaries of the Units

Boundaries of the unit: In this report, a residential "unit" is sometimes described as a "residence". See **Exhibit E** for a description of the unit boundaries.

#### 1.6 Permitted Alterations to the Units

Permitted alterations to the unit (if the unit is defined as a non-physical or spatial portion of the project, also describe what can be built within such portion of the project):

See **Exhibit F**.

#### 1.7 Common Interest

**Common Interest:** Each unit will have a percentage interest in the common elements appurtenant to each unit. This interest is called the "common interest". It is used to determine each unit's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by unit owners. The common interest for each unit in this project, as described in Declaration, is:

Described in **Exhibit G**. Note that, in addition to each Unit having a common interest in the Project as a whole (AOAO common interest), each Residential Unit, exclusive of the Commercial Unit, shall have allocated to such Residential Unit the common profits and expenses attributable to the tower, excluding the parking garage, proportionate to the common interests appurtenant to the Residential Units as more particularly set forth in **Exhibit G-1**. Common expenses allocable solely to the Residential Units shall be borne in the ratios and percentages appearing in **Exhibit G-1** under the column labeled "Residential Unit Common Expense Allocation".

As follows:

#### 1.8 Recreational and Other Common Facilities (Check if applicable):

<input checked="" type="checkbox"/>	Swimming pool
<input type="checkbox"/>	Laundry Area
<input type="checkbox"/>	Storage Area
<input type="checkbox"/>	Tennis Court
<input checked="" type="checkbox"/>	Recreation Area
<input checked="" type="checkbox"/>	Trash Chute/Enclosure(s)
<input checked="" type="checkbox"/>	Exercise Room
<input type="checkbox"/>	Security Gate
<input type="checkbox"/>	Playground
<input checked="" type="checkbox"/>	Other (describe): See <b>Exhibit H</b>

### 1.9 Common Elements

**Common Elements:** Common elements are those parts of the condominium project other than the individual units and any other real estate for the benefit of unit owners. Although the common elements are owned jointly by all unit owners, those portions of the common elements that are designated as limited common elements (see Section 1.10 below) may be used only by those units to which they are assigned. In addition to the common facilities described in Section 1.8 above, the common elements for this project, as described in the Declaration, are set forth below.

Described in **Exhibit I.**

Described as follows:

Common Element	Number
Elevators	3
Stairways	3
Trash Chutes	1

### 1.10 Limited Common Elements

**Limited Common Elements:** A limited common element is a portion of the common elements that is reserved for the exclusive use of one or more but fewer than all units in the project.

Described in **Exhibit J.**

Described as follows:

### 1.11 Special Use Restrictions

The Declaration and Bylaws may contain restrictions on the use and occupancy of the units. Restrictions for this project include, but are not limited to, those described below.

<input checked="" type="checkbox"/>	Pets: See <b>Exhibit K.</b>
<input checked="" type="checkbox"/>	Number of Occupants: See <b>Exhibit K.</b>
<input checked="" type="checkbox"/>	Other: See <b>Exhibit K.</b>
<input type="checkbox"/>	There are no special use restrictions.

### 1.12 Encumbrances Against Title

An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of a unit in the project. Encumbrances shown may include blanket liens which will be released prior to conveyance of a unit (see Section 5.3 on Blanket Liens).

**Exhibit L** describes the encumbrances against title contained in the title report described below.

Date of the title report: March 18, 2010

Company that issued the title report: First American Title Company



### 3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances (Regular System) or filing in the Office of the Assistant Registrar of the Land Court, or both, a Declaration of Condominium Property Regime, a Condominium Map and the Bylaws of the Association of Unit Owners. The Condominium Property Act (Chapter 514B, HRS), the Declaration, Bylaws and House Rules control the rights and obligations of the unit owners with respect to the project and the common elements, to each other, and to their respective units.

#### 3.1 Declaration of Condominium Property Regime

The Declaration of Condominium Property Regime contains a description of the land, buildings, units, common interests, common elements, limited common elements, and other information relating to the condominium project.

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	April 25, 2007	2007-074084

Amendments to Declaration of Condominium Property Regime		
Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	May 30, 2007	2007-096748
Bureau of Conveyances	June 20, 2007	2007-110677
Bureau of Conveyances	November 5, 2007	2007-194448
Bureau of Conveyances	October 9, 2009	2009-155932
Bureau of Conveyances	March 12, 2010	2010-034329

#### 3.2 Bylaws of the Association of Unit Owners

The Bylaws of the Association of Unit Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Unit Owners is elected, the powers and duties of the Board, the manner in which meetings will be conducted, whether pets are prohibited or allowed and other matters that affect how the condominium project will be governed.

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	April 25, 2007	2007-074085

Amendments to Bylaws of the Association of Unit Owners		
Land Court or Bureau of Conveyances	Date of Document	Document Number

#### 3.3 Condominium Map

The Condominium Map contains a site plan and floor plans, elevations and layout of the condominium project. It also shows the floor plan, unit number and dimensions of each unit.

Land Court Map Number	
Bureau of Conveyances Map Number	4437
Dates of Recordation of Amendments to the Condominium Map:	
May 30, 2007, Document No. 2007-096749	
November 5, 2007, Document No. 2007-194447	
March 12, 2010, Document No. 2010-034328	

## EXHIBIT L

### Section 1.12 -- Encumbrances Against Title

THIS EXHIBIT IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF THE ENCUMBRANCES AGAINST TITLE CONTAINED IN THE DECLARATION, BYLAWS, CONDOMINIUM MAP, PROJECT RULES AND OTHER CONDOMINIUM DOCUMENTS. WHILE A PURCHASER CAN USE THIS AS A GENERAL SUMMARY, PURCHASERS SHOULD REFER TO THE CONSTITUENT DOCUMENTS OF THE PROJECT. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS EXHIBIT AND THE DECLARATION, BYLAWS, CONDOMINIUM MAP, PROJECT RULES OR OTHER DOCUMENTS OF THE PROJECT, SUCH DOCUMENTS WILL CONTROL. CAPITALIZED TERMS USED HEREIN, UNLESS OTHERWISE DEFINED HEREIN, SHALL HAVE THE MEANINGS GIVEN TO THEM IN THE DECLARATION.

1. Title to all mineral and metallic mines reserved to the State of Hawaii.
2. Condominium Map No. 4437, as amended by instruments recorded May 30, 2007 in the Bureau as Document No. 2007-096749, and recorded November 5, 2007 in the Bureau as Document No. 2007-194447.
3. The terms and provisions contained in or incorporated by reference in the Declaration of Condominium Property Regime of Allure Waikiki dated April 25, 2007. Said Declaration was recorded April 25, 2007 in the Bureau as Document No. 2007-074084, and amended by instruments recorded May 30, 2007 in the Bureau as Document No. 2007-096748, recorded June 20, 2007 in the Bureau as Document No. 2007-110677, recorded November 5, 2007 in the Bureau as Document No. 2007-194448, and recorded October 9, 2009 in the Bureau as Document No. 2009-155932.
4. The terms and provisions contained in or incorporated by reference in the Condominium By-Laws of the Association of Unit Owners of Allure Waikiki dated April 25, 2007. Said By-Laws were recorded April 25, 2007 in the Bureau as Document No. 2007-074085.
5. Terms, provisions, reservations, covenants, conditions and restrictions as contained in the Agreement for Issuance of Conditional Use Permit Under Section 21-5.380 of the Land Use Ordinance (LUO) Allure Waikiki Condominium recorded July 18, 2007 in the Bureau as Document No. 2007-128461.
6. Terms, provisions, reservations, covenants, conditions and restrictions as contained in the In Situ Burial Agreement recorded October 3, 2007 in the Bureau as Document No. 2007-175881.
7. Construction Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing to secure an original principal indebtedness of \$169,200,000.00, and any other amounts or obligations secured thereby.

Dated: December 3, 2007  
Mortgagor: FRC Waikiki, LLC, a Delaware limited liability company  
Mortgagee: Corus Bank, N. A.  
Recorded December 18, 2007 in the Bureau as Document No. 2007-217283.

The foregoing document was assigned to Corus Construction Venture, LLC, a Delaware limited liability company, by assignment recorded January 20, 2010 in the Bureau as Document No. 2010-008308 thru 2010-008309.

8. The Assignment of Leases and Rents in favor of Corus Bank, N.A., as additional security for the payment of the indebtedness in the amount of \$169,200,000.00, which was recorded December 18, 2007 in the Bureau as Document No. 2007-217284.

The foregoing document was assigned to Corus Construction Venture, LLC, a Delaware limited liability company, by assignment recorded January 20, 2010 in the Bureau as Document No. 2010-008308 thru 2010-008309.

9. A financing statement

Debtor: FRC Waikiki, LLC  
Secured Party: Corus Bank, N. A.  
Recorded December 18, 2007 in the Bureau as Document No. 2007-217285.

The security interest of the secured party was assigned to Corus Construction Venture, LLC, a Delaware limited liability company, by assignment recorded January 20, 2010 in the Bureau as Document No. 2010-008308 thru 2010-008309.

10. The Collateral Assignment of Developer's Rights and Agreement with Respect to Condominium Documents in favor of Corus Bank, N.A., as additional security for the payment of the indebtedness in the amount of \$169,200,000.00, which was recorded December 18, 2007 in the Bureau as Document No. 2007-217286.

The foregoing document was assigned to Corus Construction Venture, LLC, a Delaware limited liability company, by assignment recorded January 20, 2010 in the Bureau as Document No. 2010-008308 thru 2010-008309.

11. Construction Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing to secure an original principal indebtedness of \$69, 817,500.00, and any other amounts or obligations secured thereby.

Dated: December 3, 2007  
Mortgagor: FRC Waikiki, LLC, a Delaware limited liability company  
Mortgagee: SP Waikiki Lender, LP, a Delaware limited partnership  
Recorded December 18, 2007 in the Bureau as Document No. 2007-217287.

A Subordination and Intercreditor Agreement recorded December 18, 2007 in the Bureau as Document No. 2007-217289 provides that the above document was subordinated to that certain Construction Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing recorded December 18, 2007 in the Bureau as Document No. 2007-217283.

The foregoing Subordination and Intercreditor Agreement was assigned to Corus Construction Venture, LLC, a Delaware limited liability company, by assignment recorded January 20, 2010 in the Bureau as Document No. 2010-008308 thru 2010-008309.

12. The Assignment of Rents and Leases in favor of SP Waikiki Lender, LP, a Delaware limited partnership, as additional security for the payment of the indebtedness in the amount of \$69,817,500.00, which was recorded December 18, 2007 in the Bureau as Document No. 2007-217288.

13. A financing statement

Debtor: FRC Waikiki, LLC  
Secured Party: SP Waikiki Lender, LP  
Recorded December 19, 2007 in the Bureau as Document No. 2007-218249.

14. Terms, provisions, reservations, covenants, conditions and restrictions as contained in the

Reburial Agreement recorded February 6, 2008 in the Bureau as Document No. 2008-017742.

15. Terms, provisions, reservations, covenants, conditions and restrictions as the Declaration of Restrictive Covenants (Private Park Declaration) recorded August 22, 2008 in the Bureau as Document No. 2008-133927.
16. A Grant of Easement for electrical, communication and utility purposes, in favor of Hawaiian Electric Company, Inc., a Hawaii corporation, and Hawaiian Telcom, Inc., a Hawaii corporation recorded December 9, 2008 in the Bureau as Document No. 2008-184536.
17. Matters affecting Parcel First (Lot A), as shown on the Subdivision Map Showing Allure Waikiki, approved by the Department of Planning and Permitting of the City and County of Honolulu on February 6, 2009 (DPP File No. 2008/SUB 181), as disclosed by Affidavit of Miles Horie recorded February 25, 2009 in the Bureau as Document No. 2009-027609, to -wit:
  - a. Vehicular access into and from Kalakaua Avenue shall not be permitted over and across Course 12 and 14 of Lot A.
  - b. Easement A2 for water meter and pipeline purposes.
  - c. Easement B for pedestrian access and bus stop shelter purposes.
  - d. Easement C for pedestrian access purposes.
18. Matters affecting Parcel Third (Lot C), as shown on the Subdivision Map Showing Allure Waikiki, approved by the Department of Planning and Permitting of the City and County of Honolulu on February 6, 2009 (DPP File No. 2008/SUB 181), as disclosed by Affidavit of Miles Horie recorded February 25, 2009 in the Bureau as Document No. 2009-027609, to -wit:
  - a. Vehicular access into and from Kalakaua Avenue shall not be permitted over and across Course 1 of Lot C.
  - b. Easement A1 for water meter and pipeline purposes.
  - c. Easement D for utility purposes.
19. Real property taxes as may be due and owing. For more information contact the City and County Tax Assessment Office.
20. Waikiki Business Improvement District assessments.

**END OF EXHIBIT L**

## EXHIBIT P

### Section 4.2 -- Estimate of the Initial Maintenance Fees

THIS EXHIBIT IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF THE ESTIMATE OF THE INITIAL MAINTENANCE FEES CONTAINED IN THE DECLARATION, BYLAWS, CONDOMINIUM MAP, PROJECT RULES AND OTHER CONDOMINIUM DOCUMENTS. WHILE A PURCHASER CAN USE THIS AS A GENERAL SUMMARY, PURCHASERS SHOULD REFER TO THE CONSTITUENT DOCUMENTS OF THE PROJECT. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS EXHIBIT AND THE DECLARATION, BYLAWS, CONDOMINIUM MAP, PROJECT RULES OR OTHER DOCUMENTS OF THE PROJECT, SUCH DOCUMENTS WILL CONTROL. CAPITALIZED TERMS USED HEREIN, UNLESS OTHERWISE DEFINED HEREIN, SHALL HAVE THE MEANINGS GIVEN TO THEM IN THE DECLARATION.

The Estimated Maintenance Fee Disbursements for Allure Waikiki have been compiled by Hawaiiana Management Company, a licensed property manager, assuming that all units in the Project as reflected on the Condominium Map are constructed. Although the Managing Agent makes every effort to estimate the actual cost of operation, many factors will affect the ultimate cost of operation and certain budget items may change, including, but not limited to, insurance in view of today's insurance market which is rapidly changing due to worldwide disasters having a local effect on the reinsurance market, and other third party costs. Purchaser is aware that such amounts are only estimates and may change for reasons beyond the control of Developer, and Purchaser hereby specifically accepts and approves any such changes. Purchaser is also aware that such estimates do not include Purchaser's obligation for payment of real property taxes. Purchaser understands that such estimates are not intended to be and do not constitute any representation or warranty by Developer, including, but not limited to, any representation or warranty as to the accuracy of such estimates. Purchaser understands that Developer has not independently confirmed the accuracy or content of the estimates prepared by the licensed independent Managing Agent. Further, Developer advises that costs and expenses of maintenance and operation of a condominium community are very difficult to estimate initially and even if such maintenance charges have been accurately estimated, such charges will tend to increase in an inflationary economy and as the improvements age. Maintenance charges can vary depending on services desired by unit owners and may increase significantly depending on the level of services eventually selected by the Association's Board of Directors. Purchaser should examine the maintenance charges schedule to see what services are included in the schedule and address these issues with its Board upon its formation.

Purchasers should also be aware that the estimates provided are as of the date reflected in the Managing Agent's certification and do not reflect the actual charges that may be incurred upon the formation of the Association and the actual contracting for such services such as insurance and maintenance, etc. Inasmuch as the estimates are the Managing Agent's best estimate as of the date reflected in the Managing Agent's certification, there may be an increase in the cost of operation for reasons not in the control of Developer at the time units are delivered. For example, without limitation, there may be an increase in the cost of operation due to the projected increase by the City and County of Honolulu in sewer fees by as much as one hundred fifty percent (150%) through 2014, or an increase in cost for the resident manager in view of historically low unemployment rates in the State of Hawaii, or an increase in insurance costs for a variety of reasons, or an increase due to the mere passage of time.

Developer intends to pay all of the actual common expenses for the units and the unit owner shall not be obligated for the payment of the owner's share of the common expenses until such time as Developer causes a thirty (30) day advance written notice to be sent to the Owners that, after a specified date, the unit owners shall be obligated to pay for the portion of common expenses that is allocated to their respective units. Developer shall mail the written notice to the owners, the association, and the managing agent, if any, at least thirty (30) days before the specified date.

The estimate of the initial annual maintenance fees and monthly estimated Maintenance fees is attached hereto.

## CERTIFICATE

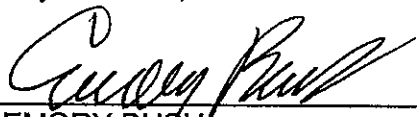
I, the undersigned, duly sworn on oath, depose and affirm as follows:

1. I am the President for Hawaiiana Management Company, Ltd., a Hawaii corporation, designated by the Developer of the Allure Waikiki condominium project (the "Project") to act as the Managing Agent for the management and administration of the Project.

2. I hereby certify that the breakdown of the annual maintenance charges and the monthly estimated cost for each unit in the Project, as set forth in Exhibit "1" attached hereto and hereby incorporated herein by reference, were determined in accordance with Section 514B-148 of the Hawaii Revised Statutes and Chapter 107 of the Hawaii Administrative Rules, and are reasonable estimates for the one-year period commencing March 2010, based on generally accepted accounting principles.

3. As permitted pursuant to Section 514B-148(b), new associations need not collect estimated reserves until the fiscal year which begins after the association's first annual meeting. The Developer has not conducted a reserve study for the Project. The budget amount for Reserves is an estimate only.

DATED: Honolulu, Hawaii, this 8<sup>th</sup> day of March, 2010.

  
\_\_\_\_\_  
Name: EMORY BUSH  
Title: PRESIDENT

Subscribed and sworn to before me  
this 8<sup>th</sup> day of March, 2010.

State of Hawaii  
City & County of Honolulu

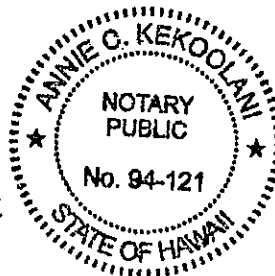
Date: March 8, 2010 # of Pages: 11

Doc. Description: Certificate of Managing Agent & Estimated  
Annual Disbursements for: Allure Waikiki

  
\_\_\_\_\_  
Notary Signature  
Name: Annie C. Kekoolani

No. & Expiration:

94-121 ; 02-16-2014



First Circuit, State of Hawaii

**NOTARY CERTIFICATION**

## Estimated Fee Disbursement

Allure Waikiki  
(292 units)

Utilities	Monthly	Annually
Electricity	\$70,000	\$840,000
Electricity Reimbursement	-\$30,000	-\$360,000
Cable TV, Phone & Internet	\$18,500	\$222,000
Water	\$3,000	\$36,000
Sewer	\$15,000	\$180,000
Telephone	\$1,000	\$12,000
<b>Contract Services</b>		
Air Conditioning	\$1,000	\$12,000
Window Cleaning	\$4,000	\$48,000
Elevator	\$3,000	\$36,000
Pest Control	\$200	\$2,400
Mechanical Systems	\$1,500	\$18,000
Refuse	\$2,500	\$30,000
<b>Maintenance</b>		
Air Conditioning	\$1,200	\$14,400
Cleaning Supplies	\$800	\$9,600
Elevator	\$300	\$3,600
Grounds	\$1,000	\$12,000
Electrical/Lighting	\$1,000	\$12,000
Plumbing	\$200	\$2,400
Pool and Spa	\$500	\$6,000
Paint	\$500	\$6,000
Fire Systems	\$300	\$3,600
Building Repairs	\$1,000	\$12,000
Misc Rprs & Purchs	\$400	\$4,800
Tools	\$200	\$2,400
Amenities	\$500	\$6,000
<b>Professional Services</b>		
M.A. Admin Supplies & Services	\$2,000	\$24,000
AOAO Admin Expenses	\$1,000	\$12,000
Education	\$400	\$4,800
Management Services	\$6,292	\$75,504
Audit	\$167	\$2,004
Legal Fees	\$1,000	\$12,000
Consulting Fees	\$400	\$4,800
<b>Payroll &amp; Benefits</b>		
P/R - Manager	\$5,417	\$65,004
P/R - Maintenance & Janitorial	\$19,000	\$228,000
P/R - Security	\$25,000	\$300,000
P/R - Office	\$3,000	\$36,000
Workers Comp	\$4,000	\$48,000
TDI	\$300	\$3,600
Health Care	\$8,000	\$96,000
Payroll Taxes	\$5,500	\$66,000
Payroll Prep	\$260	\$3,120
Manager Housing Exp	\$2,500	\$30,000
<b>Other Expenses</b>		
Property & Liability	\$14,000	\$168,000
Flood	\$3,585	\$43,020
Deductible Reserve	\$1,000	\$12,000
Total Operating Expenses	\$200,421	\$2,405,052
Reserves Contribution	\$20,079	\$240,948
<b>TOTAL ASSESSMENTS</b>	<b>\$220,500</b>	<b>\$2,646,000</b>

**Estimated Fee Disbursement**Allure Waikiki  
(292 units)

I, Emory Bush, as agent for/and/or employed by Hawaiiana Management Company, the condominium managing agent for Allure Waikiki condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

Signature

Date

Pursuant to 514B-148, 7b, Hawaii Revised Statutes, a new association need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting. The Developer has not conducted a reserve study for the Project. The budget amount for Reserves is an estimate only.

Pursuant to the declaration the Commercial unit shall not be assessed for common expenses until such time as the Commercial unit is improved.

The estimate of maintenance fee disbursement does not currently include anticipated costs for inspections mandated by Section H.11 of the Declaration. Pursuant to Section H.11 of the Declaration, certain inspections must be undertaken within one (1) year following the first meeting of the members of the Association and shall take place thereafter at least annually or as recommended in the Maintenance Manual.









# **Estimate of Initial Maintenance Fees**

Allure Waikiki  
(292 units)

Unit Type	AOAO Common Interest	Residential Common Interest	Monthly Fee	Yearly Total
D	0.3495%	0.3603%	\$794.46	\$9,533.54
E	0.3912%	0.4032%	\$889.06	\$10,668.67
E	0.3912%	0.4032%	\$889.06	\$10,668.67
E	0.3912%	0.4032%	\$889.06	\$10,668.67
E	0.3912%	0.4032%	\$889.06	\$10,668.67
E	0.3912%	0.4032%	\$889.06	\$10,668.67
E	0.3912%	0.4032%	\$889.06	\$10,668.67
E	0.3912%	0.4032%	\$889.06	\$10,668.67
E	0.3912%	0.4032%	\$889.06	\$10,668.67
E	0.3912%	0.4032%	\$889.06	\$10,668.67
E	0.3912%	0.4032%	\$889.06	\$10,668.67
E	0.3912%	0.4032%	\$889.06	\$10,668.67
E	0.3912%	0.4032%	\$889.06	\$10,668.67
E	0.3912%	0.4032%	\$889.06	\$10,668.67
E	0.3912%	0.4032%	\$889.06	\$10,668.67
E	0.3912%	0.4032%	\$889.06	\$10,668.67
E	0.3912%	0.4032%	\$889.06	\$10,668.67
E	0.3912%	0.4032%	\$889.06	\$10,668.67
E	0.3912%	0.4032%	\$889.06	\$10,668.67
E	0.3912%	0.4032%	\$889.06	\$10,668.67
E	0.3912%	0.4032%	\$889.06	\$10,668.67
E	0.3912%	0.4032%	\$889.06	\$10,668.67
E	0.3912%	0.4032%	\$889.06	\$10,668.67
E	0.3912%	0.4032%	\$889.06	\$10,668.67
E	0.3912%	0.4032%	\$889.06	\$10,668.67
E	0.3912%	0.4032%	\$889.06	\$10,668.67
E	0.3912%	0.4032%	\$889.06	\$10,668.67
E	0.3912%	0.4032%	\$889.06	\$10,668.67
E	0.3912%	0.4032%	\$889.06	\$10,668.67
E	0.3912%	0.4032%	\$889.06	\$10,668.67
E	0.3912%	0.4032%	\$889.06	\$10,668.67
E	0.3912%	0.4032%	\$889.06	\$10,668.67
E	0.3912%	0.4032%	\$889.06	\$10,668.67
E	0.3912%	0.4032%	\$889.06	\$10,668.67
E	0.3912%	0.4032%	\$889.06	\$10,668.67
F	0.2971%	0.3063%	\$675.39	\$8,104.70
F	0.2971%	0.3063%	\$675.39	\$8,104.70
F	0.2971%	0.3063%	\$675.39	\$8,104.70
F	0.2971%	0.3063%	\$675.39	\$8,104.70
F	0.2971%	0.3063%	\$675.39	\$8,104.70
F	0.2971%	0.3063%	\$675.39	\$8,104.70
F	0.2971%	0.3063%	\$675.39	\$8,104.70
F	0.2971%	0.3063%	\$675.39	\$8,104.70
F	0.2971%	0.3063%	\$675.39	\$8,104.70





# **Estimate of Initial Maintenance Fees**

Allure Waikiki  
(292 units)

Unit Type	AOAO Common Interest	Residential Common Interest	Monthly Fee	Yearly Total
K	0.2858%	0.2946%	\$649.59	\$7,795.12
K	0.2858%	0.2946%	\$649.59	\$7,795.12
K	0.2858%	0.2946%	\$649.59	\$7,795.12
K	0.2858%	0.2946%	\$649.59	\$7,795.12
K	0.2858%	0.2946%	\$649.59	\$7,795.12
K	0.2858%	0.2946%	\$649.59	\$7,795.12
K	0.2858%	0.2946%	\$649.59	\$7,795.12
K	0.2858%	0.2946%	\$649.59	\$7,795.12
K	0.2858%	0.2946%	\$649.59	\$7,795.12
K	0.2858%	0.2946%	\$649.59	\$7,795.12
K	0.2858%	0.2946%	\$649.59	\$7,795.12
K	0.2858%	0.2946%	\$649.59	\$7,795.12
K	0.2858%	0.2946%	\$649.59	\$7,795.12
L	0.4626%	0.4768%	\$1,051.34	\$12,616.13
L	0.4626%	0.4768%	\$1,051.34	\$12,616.13
L	0.4626%	0.4768%	\$1,051.34	\$12,616.13
L	0.4626%	0.4768%	\$1,051.34	\$12,616.13
L	0.4626%	0.4768%	\$1,051.34	\$12,616.13
L	0.4626%	0.4768%	\$1,051.34	\$12,616.13
L	0.4626%	0.4768%	\$1,051.34	\$12,616.13
L	0.4626%	0.4768%	\$1,051.34	\$12,616.13
L	0.4626%	0.4768%	\$1,051.34	\$12,616.13
L	0.4626%	0.4768%	\$1,051.34	\$12,616.13
L	0.4626%	0.4768%	\$1,051.34	\$12,616.13
L	0.4626%	0.4768%	\$1,051.34	\$12,616.13
L	0.4626%	0.4768%	\$1,051.34	\$12,616.13
L	0.4626%	0.4768%	\$1,051.34	\$12,616.13
L-1	0.4566%	0.4706%	\$1,037.67	\$12,452.08
L-1	0.4566%	0.4706%	\$1,037.67	\$12,452.08
L-1	0.4566%	0.4706%	\$1,037.67	\$12,452.08
L-1	0.4566%	0.4706%	\$1,037.67	\$12,452.08
L-1	0.4566%	0.4706%	\$1,037.67	\$12,452.08
L-1	0.4566%	0.4706%	\$1,037.67	\$12,452.08
L-1	0.4566%	0.4706%	\$1,037.67	\$12,452.08
L-1	0.4566%	0.4706%	\$1,037.67	\$12,452.08
L-1	0.4566%	0.4706%	\$1,037.67	\$12,452.08
L-1	0.4566%	0.4706%	\$1,037.67	\$12,452.08
M	0.3991%	0.4114%	\$907.14	\$10,885.64
M	0.3991%	0.4114%	\$907.14	\$10,885.64
M	0.3991%	0.4114%	\$907.14	\$10,885.64
M	0.3991%	0.4114%	\$907.14	\$10,885.64
M	0.3991%	0.4114%	\$907.14	\$10,885.64
M	0.3991%	0.4114%	\$907.14	\$10,885.64
M	0.3991%	0.4114%	\$907.14	\$10,885.64
M	0.3991%	0.4114%	\$907.14	\$10,885.64

# **Estimate of Initial Maintenance Fees**

Allure Waikiki  
(292 units)

Unit Type	AOAO Common Interest	Residential Common Interest	Monthly Fee	Yearly Total
M	0.3991%	0.4114%	\$907.14	\$10,885.64
M	0.3991%	0.4114%	\$907.14	\$10,885.64
M	0.3991%	0.4114%	\$907.14	\$10,885.64
M	0.3991%	0.4114%	\$907.14	\$10,885.64
M-1	0.3857%	0.4039%	\$890.60	\$10,687.19
M-1	0.3857%	0.4039%	\$890.60	\$10,687.19
M-1	0.3857%	0.4039%	\$890.60	\$10,687.19
M-1	0.3857%	0.4039%	\$890.60	\$10,687.19
M-1	0.3857%	0.4039%	\$890.60	\$10,687.19
M-1	0.3857%	0.4039%	\$890.60	\$10,687.19
M-1	0.3857%	0.4039%	\$890.60	\$10,687.19
M-1	0.3857%	0.4039%	\$890.60	\$10,687.19
M-1	0.3857%	0.4039%	\$890.60	\$10,687.19
M-1	0.3857%	0.4039%	\$890.60	\$10,687.19
M-1	0.3857%	0.4039%	\$890.60	\$10,687.19
TOTAL	100.0000%	100.0000%	\$220,500.00	\$2,646,000.00

(\*) Pursuant to the Declaration the Commercial Unit shall not be assessed for common expenses until such time as the Commercial Unit is improved.



## EXHIBIT T

### Section 5.3 -- Blanket Liens

THIS EXHIBIT IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF THE BLANKET LIENS CONTAINED IN THE DECLARATION, BYLAWS, CONDOMINIUM MAP, PROJECT RULES AND OTHER CONDOMINIUM DOCUMENTS. WHILE A PURCHASER CAN USE THIS AS A GENERAL SUMMARY, PURCHASERS SHOULD REFER TO THE CONSTITUENT DOCUMENTS OF THE PROJECT. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS EXHIBIT AND THE DECLARATION, BYLAWS, CONDOMINIUM MAP, PROJECT RULES OR OTHER DOCUMENTS OF THE PROJECT, SUCH DOCUMENTS WILL CONTROL. CAPITALIZED TERMS USED HEREIN, UNLESS OTHERWISE DEFINED HEREIN, SHALL HAVE THE MEANINGS GIVEN TO THEM IN THE DECLARATION.

Type of Lien	Effect on Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
Mortgage Liens	<p>Purchaser's interest in the property is subordinated to the mortgage loans listed below (the "existing mortgages") and Purchaser's interest in the Unit and under Purchaser's purchase agreement will be extinguished in the event of a foreclosure.</p> <p>Unless and until the purchase agreement between Developer and Purchaser becomes binding as described, among other places, in Section 5.8.1 of this report, Purchaser's deposits shall be refundable to Purchaser upon a default by Developer or foreclosure under the existing mortgage loans.</p> <p>From and after the date the purchase agreement between Developer and Purchaser becomes binding, Purchaser's deposits shall, upon a default by Developer or foreclosure under the existing mortgage loans and at the election of the mortgage lender(s), be non-refundable to Purchaser so long as such mortgage lender(s) elects to perform under the Purchase Agreement.</p>
Existing Mortgage	<p>1. Construction Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing to secure an original principal indebtedness of \$169,200,000.00, and any other amounts or obligations secured thereby.</p> <p>Dated: December 3, 2007 Mortgagor: FRC Waikiki, LLC, a Delaware limited liability company Mortgagee: Corus Bank, N. A. Recorded December 18, 2007 as Document No. 2007-217283.</p> <p>The foregoing document was assigned to Corus Construction Venture, LLC, a Delaware limited liability company, by assignment recorded January 20, 2010 in the Bureau as Document No. 2010-008308 thru 2010-008309.</p> <p>2. The Assignment of Leases and Rents in favor of Corus Bank, N.A., as additional security for the payment of the indebtedness in the amount of \$169,200,000.00, which was recorded December 18, 2007 in the Bureau as Document No. 2007-217284.</p> <p>The foregoing document was assigned to Corus Construction Venture, LLC, a Delaware limited liability company, by assignment recorded January 20, 2010 in the Bureau as Document No. 2010-008308 thru 2010-008309.</p>

3. A financing statement

Debtor: FRC Waikiki, LLC  
Secured Party: Corus Bank, N. A.  
Recorded December 18, 2007 in the Bureau as Document No. 2007-217285.

The security interest of the secured party was assigned to Corus Construction Venture, LLC, a Delaware limited liability company, by assignment recorded January 20, 2010 in the Bureau as Document No. 2010-008308 thru 2010-008309.

4. The Collateral Assignment of Developer's Rights and Agreement with Respect to Condominium Documents in favor of Corus Bank, N.A., as additional security for the payment of the indebtedness in the amount of \$169,200,000.00, which was recorded December 18, 2007 in the Bureau as Document No. 2007-217286.

The foregoing document was assigned to Corus Construction Venture, LLC, a Delaware limited liability company, by assignment recorded January 20, 2010 in the Bureau as Document No. 2010-008308 thru 2010-008309.

5. Construction Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing to secure an original principal indebtedness of \$69, 817,500.00, and any other amounts or obligations secured thereby.

Dated: December 3, 2007  
Mortgagor: FRC Waikiki, LLC, a Delaware limited liability company  
Mortgagee: SP Waikiki Lender, LP, a Delaware limited partnership  
Recorded December 18, 2007 in the Bureau as Document No. 2007-217287.

A Subordination and Intercreditor Agreement recorded December 18, 2007 in the Bureau as Document No. 2007-217289 provides that the above document was subordinated to that certain Construction Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing recorded December 18, 2007 in the Bureau as Document No. 2007-217283.

The foregoing Subordination and Intercreditor Agreement was assigned to Corus Construction Venture, LLC, a Delaware limited liability company, by assignment recorded January 20, 2010 in the Bureau as Document No. 2010-008308 thru 2010-008309.

6. The Assignment of Rents and Leases in favor of SP Waikiki Lender, LP, a Delaware limited partnership, as additional security for the payment of the indebtedness in the amount of \$69,817,500.00, which was recorded December 18, 2007 in the Bureau as Document No. 2007-217288.

7. A financing statement

Debtor: FRC Waikiki, LLC  
Secured Party: SP Waikiki Lender, LP  
Recorded December 19, 2007 in the Bureau as Document No. 2007-218249.

Future  
Construction  
Loans

Developer has reserved the right to finance the construction of improvements and units using one or more new construction loans.

**END OF EXHIBIT T**